

FLEXELECT CHANGES FOR 2007

Following are highlights of changes in the FlexElect Program for 2007. These changes will be reflected in the BAM in January, 2007:

What's new in the FlexElect Manual

- **Section 702. Plan Options** - The Administrative Fee has increased from \$1.00 per month to \$2.50 per month beginning in January, 2007.
- **Section 704. Eligibility Restrictions for FlexElect** - The following bullet has been added to the Eligibility Restrictions for FlexElect: "Employees who are eligible to receive the survivor benefits after the death of a spouse or domestic partner can continue to receive the FlexElect Cash."
- **Section 706. Reimbursement Account Information and Procedures - 2.5 Month Extension** - Added the following information regarding the submission of claims as it pertains to the 2.5 month extension: "Claims will be paid in the order in which they are received. If the employee has an account balance in their prior plan year's account, and a claim is received with a date of service during the grace period, the expense will automatically be paid from their prior plan year's account. If a claim is received at a later date, with a date of service in the prior plan year, and all the funds have been paid from their prior plan year account, the claim will not be paid. For this reason, it is important that the employee file claims in the order that their expenses are incurred. This will help to assure that they maximize the use of their account for both plan years."
- **Section 707. Enrollment Appeal Process** - Added the following two enrollment appeal processes:

- ✓ **Employee loses coverage and does not file 701C within 60 days from permitting event date.**

Departments must submit an explanation in writing along with the HBD-12 or Health Benefit and Enrollment History Page after confirmation from ACES and/or STD. 692. The effective date to cancel the cash is the same date as the enrollment into health and/dental benefits. DPA will consider the facts presented and **may** allow enrollment **on a prospective or retroactive basis within IRS regulations.**

- ✓ **For Permitting Event Codes 37, 38 and 39, which all allow a cancellation or change in the Dependent Care Reimbursement Account (DCRA), the specific effective date rules may cause the employee to lose the funds if their Dependent Care costs change before the effective date.**

Departments should submit an explanation in writing along with the STD. 701R to make the effective date correspond with the Dependent Care cost change.

- **710. Permanent-Intermittent (PI) Enrollment - PI Eligibility for Cash Option** - Added SDI to leave time that is NOT counted towards qualifying hours; and clarified that TD supplemental time CAN be counted towards the qualifying hours.
- **Change in STD. 701C** - Revised as of 9/2005, old form will be disallowed by SCO beginning January, 2007. New form is available on DPA's website.
- **Changes in Appendix A - Permitting Event Code Chart** - New enrollment into cash not allowed for loss or commencement of spouse's or domestic partner's employment (now has a separate permitting event code of 01a); added a new permitting event code 01d due to the separate code 01a discussed above; added SDI to examples of leave for permitting event code 37.

QUESTIONS REGARDING THE STATE'S FLEXELECT PROGRAM

Personnel Office Staff requiring assistance or clarification regarding the State's FlexElect Program should call Susan Coats, FlexElect Program Coordinator at (916) 327-6429 or CALNET 8-467-6429.